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Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 EA-06 IO-10 ISO-00 AF-06 ARA-06 NEA-10

FEA-01 AGR-05 CEA-01 CIAE-00 COME-00 DODE-00 FRB-03

H-02 INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01

AID-05 CIEP-01 SS-15 STR-04 TAR-01 TRSE-00 USIA-06

PRS-01 SP-02 OMB-01 /131 W
---------- 064930
R 251609Z MAY 75
FM USDEL MTN GENEVA
TO SECSTATE WASHDC 109
INFO AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY COPENHAGEN
AMEMBASSY DUBLIN
AMEMBASSY THE HAGUE
AMEMBASSY LONDON
AMEMBASSY OTTAWA
AMEMBASSY LUXEMBOURG
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY TOKYO
USMISSION OECD PARIS
USMISSION EC BRUSSELS

C O N F I D E N T I A L SECTION 1 OF 2 MTN GENEVA 3853

PASS STR

EO 11652: XGDS-3
TAGS: ETRD, GATT
SUBJ: AMBASSADOR DENT'S MEETING WITH GATT DG LONG

1. SUMMARY: IN WIDE RANGING DISCUSSION WITH GATT DIRECTOR GENERAL OLICIER LONG, AMBASSADOR DENT GAVE U.S. VIEWS ON TIMING AND MANAGEMENT OF TRADE NEGOTIATIONS, THEMANAGE-
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MENT OF ISSUES OF BILATERAL (E.G. US-EC) CONCERN, THE

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INCLUSION OF COMMODITY ISSUES IN THE MTN, THE IMPROVEMENT OF THE FRAME WORK FOR INTERNATIONAL TRADE, AND THE FORMATION OF A POLICY LEVEL GATT CONSULTATIVE GROUP. END SUMMARY.

2. PACE OF MTN: TNC MEETING NOW CONFIRMED FOR JULY 15. DENT SUGGESTED THAT THERE OUGHT TO BE FURTHER PROGRESS AT THAT MEETING IN THE ORGANIZATION AND SCHEDULING OF THE NEGOTIATIONS SO THAT BY NEVEMBER TNC IT WOULD BE POSSIBLE TO IDENTIFY SPECIFIC AREAS WHICH COULD HAVE RESULTS BY EARLY 1976. DENT UNDERLINED THAT ACHIEVEMENTS IN 1976 ARE ESSENTIAL TO SHOW THAT THE NEGOTIATIONS ARE UNDERWAY AND CAN BE SUCCESSFUL IN A TIME OF WORLDWIDE ECONOMIC DIFFICULTIES. THISWOULD DEMONSTRATE CONFIDENCE AND MOMEMTUM AND RESTRAIN NATIONAL PROTECTIONIST PRESSURES. MOREOVER IT WOULD BE HIGHLY USEFUL FROM U.S. POINT OF VIEW TO TEST OUR CONGRESSIONAL IMPLEMENTING PROCEDURES. DEPENDING ON THE ECONOMICS AND POLITICS INVOLVED, A FINAL WRAPUP OF THE TOKYO ROUND COULD OCCUR IN 1977.

3. LONG PRESSED TO KNOW HOW SOON PACE OF U.S. DOMESTIC ADVISORY PROCEDURES WOULD PERMIT TAKING OF SERIOUS SPECIFIC POSITIONS BY U.S. IN MTN AND ASKED WHETHER ALL PROCEDURES WOULD HAVE TO BE COMPLETED BEFORE U.S. COULD ENGAGE SERIOUSLY IN NEGOTIATIONS. AMBASSADOR DENT RESPONDED THAT OUR ADVISORY PROCEDURES WERE A LEGISLATIVE REQUIREMENT REFLECTING STRONG CONGRESSIONAL AND PRIVATE SECTOR INTEREST IN HAVING THEIR VIEWS TAKEN INTO ACCOUNT. MOREOVER WE NEED TO HAVE AS FIRM AND COMPLETE A DOMESTIC BASE AS POSSIBLE FOR PROCEEDING WITH SUBSTANTIVE NEGOTIATIONS, ESPECIALLY DURING CURRENT PERIOD OF ECONOMIC DIFFICULTIES. HOWEVER, HE SAW NO REASON TO VIEW U.S. DOMESTIC PROCEDURES AS CAUSING DELAY IN PACE OF MTN OR PREVENTING U.S. FROM NEGOTIATING IN EARNEST.

4. PROSPECTS FOR 1976: LONG INQUIRED WHAT EFFECT THE PRESIDENTTIAL ELECTIONS WOULD HAVE ON TIMING AND WHETHER BARGAINING IN GENEVA WOULD HAVE TO BE INTERRUPTED IN ORDER TO AVOID TRADE ISSUES BECOMING CAMPAIGN ISSUES. CONFIDENTIAL

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AMBASSADOR DENT RESPONDED THAT THERE SHOULD BE NO INTER-FERENCE IN THE NEGOTIATING SCHEDULE DUE TO THE U.S. ELECTIONS AND NOTED THAT THERE WAS FULL BI-PARTISAM SUPPORT FOR THE MTN. AMBASSADOR DENT FURTHER NOTED THAT THE EXPECTED ECONOMIC UPTURN WOULD STRENGTHEN ABILITY OF USG AND OTHERS TO DEVELOP DOMESTIC SUPPORT FOR POSITIVE PROGRESS IN MTN 1976.

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5. COMMODITIES: LONG EXPRESSED INTEREST IN SECRETARY KISSINGER'S KANSAS CITY REMARKS ON COMMODITIES IN THE MTN. HE FELTTHAT THERE WERE TWO BASIC APPROACHES TO THE COMMODITIES QUESTION: (A) THE DEVELOPMENT OF GENERAL RULES AND (B) TRADED CONCESSIONS OF SUPPLY AND MARKET ACCESS FOR SPECIFIC COMMODITIES. LONG EXPRESSED A PERSONAL PREFERENCE FOR THE LATTER APPROACH. AMBASSADOR DENT STATED THAT THE KISSINGER SPEECH DID NOT MARK A RADICAL DEPARTURE FROM EXISTING UNITED STATES POLICY; IT INDICATED GREATER WILLINGNESS TO EXAMINE SPECIFIC COMMODITY SOLUTIONS BUT IN NO WAY DEPARTED FROM OUR BAISC APPROACH OF SEEKING TO OBTAIN BROAD APPLICATION OF TARIFF AND NONTARIFF BARRIER NEGOTIATIONS. AMBASSADOR DENT THOUGHT MORE OPEN ATTITUDE ON PART OF U.S. TOWARD DISCUSSION OF SPECIFIC COMMODITIES WOULD OFFER BROADER BASIS FOR DIALOGUE ON SUPPLY ISSUES IN GENERAL.AMBASSADOR DENT FURTHER INDICATED THAT USG WILLINGNESS TO DISCUSS COMMODITY ISSUESSHOULD NOT BE SEEN AS SOLICITING NEGOTIATION OF COMMODITY AGREEMENTS.

6. SUPPLY ACCESS: IN CONTEXT OF DISCUSSION ON COMMODITIES LONG INDICATED THAT HE FELT THAT BARIOUS ASPECTS OF SUPPLY ISSUES WOULD ARISE IN A NUMBER OF MTN GROUPS. HE FELT THAT THE BEST WAY TO PROCEED WAS TO ALLOW SPECIFIC ISSUES TO COME UP IN THOSE GROUPS, BUT AT SAME TIME PROVIDE FOR INFORMAL DISCUSSION ON MORE COMPREHENSIVE BASIS. BEGINNING POINT WOULD BE DISCUSSION BY THE DEVELOPED COUNTRY HALF OF THE SEVEN PLUS SEVEN TO COORDINATE THEIR OWN POSITION, IF POSSIBLE, AND WHEN THEY HAD DONE SO THEN BRING IN THE LDC'S AND CONTINUE DISCUSSIONS IN THE SEVEN PLUS SEVEN OR IN A SIMILAR RESTRICTED GROUP. HE FELT THAT TO DEVELOPVIEWS BY SOLICITING NATIONAL

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FEA-01 AGR-05 CEA-01 CIAE-00 COME-00 DODE-00 FRB-03

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PRS-01 SP-02 OMB-01 /131 W
---------- 065001
R 251609Z MAY 75
FM USDEL MTN GENEVA
TO SECSTATE WASHDC 110
INFO AMEMBASSY BONN
AMEMBASSY BRUSSELS
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AMEMBASSY LUXEMBOURG
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY TOKYO
USMISSION OECD PARIS
USMISSION EC BRUSSELS

C O N F I D E N T I A L SECTION 2 OF 2 MTN GENEVA 3853

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PAPERS AT THIS POINT WOULD FREEZE COUNTRY POSITIONS,
AND THAT IT WOULD BE BEST TO ACCOMPLISH PROGRESS
THROUGH SOME DIALOGUE IN RESTRICTED GROUP AS FIRST STEP.
AMBASSADOR DENT EXPERSSED USG CONCURRENCE IN THIS APPROACH.

7. IMPROVEMENT OF FRAME WORK FOR INTERNATIONAL TRADE:
LONG NOTED THAT REFORM OF TRADING RULES WILL OCCUR IN
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MANY AREAS IN THE COURSE OF THE WORK PROGRAM OF MTN
GROUPS. HE ALSO HOPED TO HAVE A GATT SECRETARIAT PAPER
FOR INTRODUCTION THIS FALL ON AREAS WHERE GATT PROVISIONS
COULD BE REVISED. SINCE MTN IS NOT LIMITED TO GATT MEMBERS
THERE AS ALSO DISCUSSION OF PARTICIPATION OF NON-GATT
MEMBERS IN REFORM ISSUES ARISING IN MTN IT WAS FELT THAT
SOME PARTICIPATION MIGHT BE APPROPRIATE ESPECIALLY WHERE
NON-MEMBERS MAY BACOME ADHERENTS TO CERTAIN OF THE
PROTOCOLS EVOLVED IN THE COURSE OF THE NEGOTIATIONS. ON
QUESTIONS OF A GATT REVISION, THE INITIAL APPROACH WOULD
BE THAT GATT MEMBERS AND APPLICANTS WOULD HAVE A PRIMARY
ROLE. AS WITH APPROACH TO SUPPLY QUESTIONS, LONG
SUGGESTED THAT THE DEVELOPED COUNTRIES COORDINATE THEIR
POSITIONS AND THEN HE SEVEN PLUS SEVEN SORT OUT WHICH
REFORM QUESTIONS SHOULD BE TACKLED FIRST AND IN WHAT
MANNER.

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8. GATT MANAGEMENT GROUP: LONG PRESSED STRONGLY FOR
U.S. SUPPORT FOR HIS PLAN OF A GROUP IN THE GATT
COMPARABLE TO IMF INTERIM COMMITTEE THAT COULD MEET
PERIODICALLY AT A SUFFICIENTLY HIGH LEVEL THAT THOSE
PRESENT HAVE RESPONSIBILITY IN NATIONAL GOVERNMENTS
FOR FORMULATION OF TRADE POLICY. HE FELT THAT IT WAS
ESSENTIAL TO HAVE A MANAGEABLE MEANS FOR CONSULTING IN
DEPTH ON IMPORTANT ISSUES SUCH AS BALANCE OF PAYMENTS
TRADE MEASURES AND SIGNIFICANT IMPORT RESTRICTIONS, AS
WELL AS TO HAVE A BODY THAT WOULD GIVE HIM A BASIS FOR
CONSULTING WIHT THE IMF IN BALANCE OF PAYMENTS TRADE
MATTERS. THE OPEN ISSUE WAS MEMBERSHIP. LONG INDICATED
HIS VIEW THAT A BALANCED GROUP COULD INCLUDE SEVEN
DEVELOPED COUNTIRES (INCLUDING ONE SEAT FOR THE EC),
1 MEDITERRANEAN NON-GROUP OF 77 LDC, ONE SOCIALIST COUNTRY,
AND 9 LDC MEMBERS DRAWN FROM THREE MAIN REGIONS IN GROUP
OF 77. SINCE IT WAS NOT A GROUP THAT WOULD VOTE, HE FELT
THAT EXACT BALANCE WAS NOT ESSENTIAL AND THAT SINCE ONE
OF THE SEVEN DEVELOPED WAS ACTUALLY REPRESENTING THE
NINE EC MEMBER STATES, THERE WAS MORE THAN ENOUGH BALANCE.
AMBASSADOR DENT FELT THAT THE PROPOSAL WAS NOT CORRECTLY
DESCRIBED IN THAT THIS WAS A CONSULTATIVE AND NOT A
MANAGEMENT GROUP. HE ENDORSED THE CONCEPT AND SAID THAT
WE WOULD GIVE IMMEDIATE FURTHER STUDY TO THE U.S. POSITION
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ON FORMAL EXTABLISHMENT OF THIS GROUP, INCLUDING MEMBERSHI
QUESTION.

9. GRAINS: AMBASSADOR DENT EXPLAINED THE PRIMARY U.S.
PURPOSE OF CARRYING OUT THE HUMANITARIAN OBJECTIVES OF
THE WORLD FOOD CONFERENCE RESOLUTION AS THE BASIS FOR
OUR WANTING THE LONDON WORK TO MOVE FORWARD QUICKLY.
HE FELT THAT THERE WAS NOW AN EC PROMISE TO WORK ACTIVELY
IN THIS DIRECTION. DENT ALSO NOTED THAT WE HAD AGREED
THAT THE RESULTS FROMTHE LONDON GRAINS TALKS WOULD BE
FOLDED INTO THE MTN. LONG NOTED THAT GRAINS IS SO KEY
TO THE MTN THAT IF THE U.S. AND EC DEADLOCKED AGAIN OVER
PROCEDURES IT COULD BLOCK THE ENTIRE MTN AND THAT THEREFORE
A POSITIVE US-EC DIALOGUE MUST BE MAINTAINED. HE HOPED
THAT THE ISSUE OF THE GRAINS SUBGROUP CHAIRMANSHIP COULD
BE SETTLED THIS NEXT WEEK.

10. GOVERNMENT PROCUREMENT: LONG ASKED WHETHER AND WHEN
THE GOVERNMENT PROCUREMENT NEGOTIATIONS SHOULD BE BROUGHT
INTO THE MTN. AMBASSADOR DENT RESPONDED THAT WE WERE
TRYING TO EXPEDITE PROGRESS IN THE OECD AND THAT IF EFFORTS
THERE WERE SUCCESSFUL WE WOULD HAVE A BETTER IDEA IN THE
NEAR FUTURE AS TO WHEN AND HOW TO BRING THIS ISSUE INTO
THE MTN. LONG NOTED THAT THE MTN GROUP PARTICIPANTS HAD

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REQUESTED A FULL BRIEFING ON THIS OECD ACTIVITY AND THAT HE HAD BEEN PRIVATELY INFORMED THAT ONLY A "TWO-PAGE ANSWER" WAS GOING TO BE SUPPLIED BY THE OECD SECRETARIAT. HE WARNED THAT WHILE THE BEST FORUM SHOULD BE CHOSEN TO OBTAIN PROGRESS, THE LDC'S, ON PRINCIPLE, WOULD NOT ACCEPT A FAIT ACCOMPLI. DNET SAID USG WOULD ATTEMPT TO BE MORE PRECISE IN JULY TNC ON OUR FEELINGS ON TIMING OF MTN INVOLVEMENT IN GOVERNMENT PROCUREMENT.

11. RUSSIAN AND CHINESE PARTICIPATION IN MTN; LONG NOTED THAT THERE WAS A SPLIT WITHIN THE RUSSIAN BUREAUCRACY ON PARTICIPATION IN THE MTN. ACCORDING TO HIS INFORMATION, THE FOREIGN MINISTRY FAVORED USSR PARTICIPATION AND THE TRADE MINISTRY OPPOSED. HE NOTED THAT THERE HAD BEEN ABSOLUTELY NO INDICATION WHATSOEVER OF PRC INTEREST IN MTN INVOLVEMENT.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COMMODITIES, MEETINGS, TRADE AGREEMENTS, FOREIGN POLICY POSITION
Control Number: n/a
Copy: SINGLE
Draft Date: 25 MAY 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ElyME
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975MTNGE03853
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: X3
Errors: N/A
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From: MTN GENEVA
Handling Restrictions: n/a
Image Path:
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Legacy Key: link1975/newtext/t19750518/aaaaaqde.tel
Line Count: 300
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ElyME
Review Comment: n/a
Review Content Flags:
Review Date: 11 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <11 APR 2003 by IzenbeI0>; APPROVED <26 SEP 2003 by ElyME>
Review Markings:

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05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: AMBASSADOR DENT'S MEETING WITH GATT DG LONG
TAGS: ETRD, US, GATT, EEC, (DENT, FREDERICK B)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006